
HOUSE BILL 3176

State of Washington

59th Legislature

2006 Regular Session

By Representatives Kirby, Kretz, Condotta, Hinkle, Grant, McDonald, Kessler, Serben, Ahern, Armstrong, Holmquist, Sump, Newhouse, McCune and Dunn

Read first time 01/24/2006. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to taxation of punch boards and pull-tabs; and
2 amending RCW 9.46.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
5 as follows:

6 (1) The legislative authority of any county, city-county, city, or
7 town, by local law and ordinance, and in accordance with the provisions
8 of this chapter and rules adopted under this chapter, may provide for
9 the taxing of any gambling activity authorized by this chapter within
10 its jurisdiction, the tax receipts to go to the county, city-county,
11 city, or town so taxing the activity. Any such tax imposed by a county
12 alone shall not apply to any gambling activity within a city or town
13 located in the county but the tax rate established by a county, if any,
14 shall constitute the tax rate throughout the unincorporated areas of
15 such county.

16 (2) The operation of punch boards and pull-tabs are subject to the
17 following conditions:

18 (a) Chances may only be sold to adults;

19 (b) The price of a single chance may not exceed one dollar;

1 (c) No punch board or pull-tab license may award as a prize upon a
2 winning number or symbol being drawn the opportunity of taking a chance
3 upon any other punch board or pull-tab;

4 (d) All prizes available to be won must be described on an
5 information flare. All merchandise prizes must be on display within
6 the immediate area of the premises in which any such punch board or
7 pull-tab is located. Upon a winning number or symbol being drawn, a
8 merchandise prize must be immediately removed from the display and
9 awarded to the winner. All references to cash or merchandise prizes,
10 with a value over twenty dollars, must be removed immediately from the
11 information flare when won, or such omission shall be deemed a fraud
12 for the purposes of this chapter; and

13 (e) When any person wins money or merchandise from any punch board
14 or pull-tab over an amount determined by the commission, every licensee
15 shall keep a public record of the award for at least ninety days
16 containing such information as the commission shall deem necessary.

17 (3)(a) Taxation of bingo and raffles shall never be in an amount
18 greater than five percent of the gross receipts from a bingo game or
19 raffle less the amount awarded as cash or merchandise prizes.

20 (b) Taxation of amusement games shall only be in an amount
21 sufficient to pay the actual costs of enforcement of the provisions of
22 this chapter by the county, city or town law enforcement agency and in
23 no event shall such taxation exceed two percent of the gross receipts
24 from the amusement game less the amount awarded as prizes.

25 (c) No tax shall be imposed under the authority of this chapter on
26 bingo or amusement games when such activities or any combination
27 thereof are conducted by any bona fide charitable or nonprofit
28 organization as defined in this chapter, which organization has no paid
29 operating or management personnel and has gross receipts from bingo or
30 amusement games, or a combination thereof, not exceeding five thousand
31 dollars per year, less the amount awarded as cash or merchandise
32 prizes.

33 (d) No tax shall be imposed on the first ten thousand dollars of
34 gross receipts less the amount awarded as cash or merchandise prizes
35 from raffles conducted by any bona fide charitable or nonprofit
36 organization as defined in this chapter.

37 (e) Taxation of punch boards and pull-tabs for bona fide charitable
38 or nonprofit organizations is based on gross receipts from the

1 operation of the games less the amount awarded as cash or merchandise
2 prizes, and shall not exceed a rate of (~~ten~~) five percent. At the
3 option of the county, city-county, city, or town, the taxation of punch
4 boards and pull-tabs for commercial stimulant operators may be based on
5 gross receipts from the operation of the games, and may not exceed a
6 rate of five percent, or may be based on gross receipts from the
7 operation of the games less the amount awarded as cash or merchandise
8 prizes, and may not exceed a rate of ten percent. At the option of the
9 county, city-county, city, or town, the taxation of punch boards and
10 pull-tabs for commercial stimulant operators may be based on the gross
11 receipts from the operation of the games, and may not exceed a rate of
12 two and one-half percent, or may be based on gross receipts from the
13 operation of the games less the amount awarded as cash or merchandise
14 prizes, and may not exceed a rate of five percent.

15 (f) Taxation of social card games may not exceed twenty percent of
16 the gross revenue from such games.

17 (4) Taxes imposed under this chapter become a lien upon personal
18 and real property used in the gambling activity in the same manner as
19 provided for under RCW 84.60.010. The lien shall attach on the date
20 the tax becomes due and shall relate back and have priority against
21 real and personal property to the same extent as ad valorem taxes.

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